

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

**IN RE LERNOUT & HAUSPIE
SECURITIES LITIGATION**

Civil Action No. 00-CV-11589-PBS

**THIS DOCUMENT RELATES TO
ALL ACTIONS**

**MOTION FOR APPROVAL OF AN INTERIM DISBURSEMENT
OF CLAIM ADMINISTRATION EXPENSES**

Class Representatives Hans A. Quaak, Attilio Po, Karl Leibinger and MM Holdings, Inc. ("Plaintiffs"), hereby move this Court for entry of an order approving an interim disbursement from the Settlement Funds for payment to the Court-appointed Claims Administrator, A.B. Data, Ltd., ("A.B. Data"), for services rendered to date in the administration of the settlements reached to date in this securities class action.

In support of their motion, Plaintiffs submit the accompanying Affidavit of Anya Verkhovskaya and Proposed Order, and further state the following:

1. On December 22, 2004, this Court entered judgment that approved as fair, reasonable, and adequate and in the best interest of the Class Members a \$115 million settlement of claim as reflected in the December 16, 2004 Amended Stipulation and Agreement of Settlement entered into by the Lead Plaintiffs and KPMG LLP, Klynveld Peat Marwick Goerdeler Bedrijfsrevisoren, and Paul Behets (the "KPMG Settlement").
2. On July 18, 2005, this Court entered judgment that approved as fair, reasonable, and adequate and in the best interest of the Class Members the \$5.27 million settlement of claims as reflected in December 3, 2004 Stipulations and Agreement of Settlements entered into by the Lead Plaintiffs and RVD Securities N.V., Erwin

Vandendriessche, Dirk Cauwelier, Marc De Pauw, Francis Vanderhoydonck, and Ellen Spooren (“Directors Settlement”).

3. On July 18, 2005, this Court entered judgment that approved as fair, reasonable, and adequate and in the best interest of the Class Members a \$250,000 settlement with Flanders Language Valley Fund c.v.a., as reflected in the March 3, 2005 Stipulations and Agreement of Settlement (“FLV Settlement”). Collectively, the KPMG Settlement, Directors Settlement and FLV Settlement are referred to as the “Settlements”.

4. Under both the December 22, 2004 Judgment and July 18, 2005 Judgment, this Court retains exclusive jurisdiction over all matters relating to this Action, including administration, interpretation, effectuation, or enforcement of the stipulations of settlement, and any application for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Class. *See* December 22, 2004 Judgment, at ¶ 16; July 18, 2005 Judgment, at ¶ 22.

5. Pursuant to the KPMG Settlement, this Court authorized the payment of \$200,000 to A.B. Data to cover costs for reasonable notice and administration. *See* December 16, 2004 Stipulation, at ¶ 8. The KPMG Stipulation, approved by this Court, further provided that:

Plaintiffs’ Lead Counsel will apply to the Court, on notice to the KPMG Defendants’ Counsel, for an order (the “Class Distribution Order”) approving the Claims Administrator’s administrative determinations concerning the acceptance and rejection of the claims submitted herein and approving any fees and expenses not previously applied for, including the fees and expenses of the Claims Administrator, and, if the Effective Date has occurred, directing payment of the Net Settlement Fund to Authorized Claimants.

Id. at ¶ 10.

6. Pursuant to the Directors Settlement, this Court authorized the payment of

\$250,000 to the Claim Administrator to cover costs for reasonable notice and administration. *See* December 3, 2004 Stipulation at VII(A). The Directors Stipulation, approved by this Court, further provided that:

Lead Counsel will apply to the Massachusetts District Court, on notice to counsel for the Settling Counsel, for an order (the "Class Distribution Order"): (1) approving the Claims Administrator's administrative determinations concerning the acceptance and rejection of the claims submitted by Class Members; (ii) approving the payment of the Notice and Administrative Costs, and (iii) if the Effective Date has occurred, directing payment of the Net Class Settlement Fund to the Authorized Claimants.

Id. at VIII(B).

10. In compliance with these provisions, A.B. Data has been paid \$450,000 from the Settlement Funds for actual Notice and Administration Costs incurred to date.

11. In advance of the time to make an application to the Court for the Class Distribution Order, Plaintiffs make this interim motion to reimburse the Notice and Administration Expenses incurred to date.

12. As set forth in the accompanying Affidavit of Anya Verkhovskaya, Senior Vice President of A.B. Data, Ltd.'s Class Action Administration Division (the "Verkhovskaya Affidavit"), A.B. Data has incurred \$508,006.10 in Notice and Administration Expenses in administering the KPMG Settlement and \$477,952.85 in Notice and Administration Expenses in administering the FLV and Directors Settlements. Verkhovskaya Affidavit at ¶ 21. A.B. Data has received payments, previously authorized by this Court, in the amount of \$200,000 for the administration of the KPMG Settlement and \$250,000 for the administration of the Directors and FLV Settlements. *Id.* at ¶ 22. Thus, there is balance due of \$308,006.10 for the administration of the KPMG

Settlements and \$227,952.85 for the administration of the FLV and Directors

Settlements. *Id.*

13. Furthermore, as set forth in the Verkhovskaya Affidavit, A.B. Data has been actively administering the Settlements since October 2004. A.B. Data has mailed over 220,000 Claim Packets and processed over 14,000 claims. *See Verkhovskaya Affidavit at ¶¶ 10-16.* Additionally, A.B. Data has reviewed and analyzed claims data, mailed over 500 deficiency letters and over 800 rejection letters, and provided adequate opportunity for Class Members to cure any deficiencies. *Id.* at ¶¶ 15-19. Because such a large number of Class Members are European, the costs of postage, translation costs, and the processing time is greater than in other comparable cases. In this respect, A.B. Data has allowed addition time past the postmark deadlines for each round of correspondence to review mail. Further, A.B. Data has had to convert various currencies into U.S. dollars and translate a significant volume of correspondence from various languages into English. Telephone calls from Class Members have also taken longer than is normally the case due to these issues, as well as the complexity attributable to the fact that A.B. Data is administering multiple settlements.

14. Despite these complicating factors, A.B. Data expects the administration of the Settlement to be completed by late summer or early fall. *See id.* at ¶ 20. Accordingly, absent this motion, payment to A.B. Data would be delayed for at least that long. Given the costs incurred to date, and extensive work performed, an interim award is warranted.

WHEREFORE, for all the foregoing reasons, Lead Plaintiffs respectfully request that the Court approve an interim disbursement from the respective Settlement Funds to

A.B. Data for services rendered to date as follows:

- a. \$308,006.10 payable from the KPMG Settlement Fund; and
- b. \$227,952.85 payable from the Directors Settlement Fund.

Dated: March 30, 2006

Respectfully submitted,

**BERMAN DEVALERIO PEASE
TABACCO BURT & PUCILLO**

/s/ Patrick T. Egan
Glen DeValerio, BBO # 122010
Jeffrey C. Block, BBO #600747
Patrick T. Egan, BBO # 637477
(pegan@bermanesq.com)
One Liberty Square
Boston, MA 02109
Telephone: (617) 542-8300

SHALOV STONE & BONNER LLP

James P. Bonner
Patrick L. Rocco
485 Seventh Avenue, Suite 10000
New York, New York 10018
Telephone: (212) 239-4340

PLAINTIFFS' CO-LEAD COUNSEL

Certification Pursuant To Local Rule 7.1(a)(2)

Pursuant to Local Rules 7.1(a)(2), counsel for Class Plaintiffs contacted defense counsel for parties to the Settlements, who either do not take a position on the request in this motion or, as of this filing, have not yet responded to Plaintiff concerning their position on this motion.

Date: March 30, 2006

/s/ Patrick T. Egan
Patrick T. Egan, BBO # 637477
(pegan@bermanesq.com)